

EXHIBIT E

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

CASE NO.: C-1-01-641

Q & R ASSOCIATES, INC.,

Plaintiff,

vs.

DEPOSITION

UNIFI, INC., et al,

Defendants.

COPY

WITNESS: RONALD LEE SMITH

**TAKEN AT THE OFFICES OF:
UNIFI TECHNICAL FABRICS, LLC
7201 West Friendly Avenue
Greensboro, NC 27401**

**DATE: 2-23-04
TIME: 12:25 P.M.**

**REPORTER: DALE L. RING
CHAPLIN & ASSOCIATES, INC.**

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Ronald Lee Smith

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1 definitive agreements. When I talked to -- I know
2 I went to Dexter first about it, but when that
3 conversation happened, I don't know. I can't put
4 it in the timeline.

5 Q. (Mr. Packard) Okay. Exhibit 12. After
6 you get a chance to look at it, can you tell me
7 what is Exhibit 12?

8 (Witness examined document)

9 A. I think this is -- I don't -- it's
10 signed, so this is most likely the executed copy
11 of the nonbinding LOI.

12 Q. This is what you would call the
13 nonbinding LOI?

14 A. That's -- yes, that's what we would call
15 the nonbinding LOI.

16 Q. And why was this executed? Do you know?

17 MR. WENDLING: Objection.

18 THE WITNESS: To define the intent
19 of the parties, to put it in -- to create a
20 structure that we can move forward and negotiate
21 off of, like -- similar reasoning. But, I mean,
22 it's kind of confidentiality agreement, nonbinding
23 LOI is the typical flow of these deals.

24 Q. (Mr. Packard) All right. Take a look
25 at Exhibit 13 now. Is that the binding LOI?

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1 (Witness examined document)

2 A. May 11th. Yes, near. Yes.

3 Q. Were there -- between the nonbinding LOI
4 and the binding LOI, were there drafts of this
5 document being worked on to come up from the
6 nonbinding LOI to the binding LOI?

7 A. Drafts of this or drafts of the
8 definitive agreement?

9 Q. Drafts of just the binding LOI.

10 A. Drafts of the binding LOI. Yes. I'm
11 sure the first one didn't make it, but it was --
12 they were all right up against May 11th. They
13 weren't -- the process was sign the LOI and then
14 begin the negotiation process to get to the
15 binding LOI. So we weren't -- we weren't
16 negotiating through drafts of an LOI, I guess is
17 what I'm saying.

18 Q. That's what I'm trying to find out.

19 A. No.

20 Q. Okay. How about the nonbinding LOI?
21 Was there drafts exchanged on that or?

22 A. I'm sure there were multiple drafts
23 exchanged the five days leading up to that, but we
24 were negotiating and I was talking to the -- our
25 attorney, and he was kind of memorializing that